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PROFITS IN MACHINE BUILDING

The third year of the first postwar Five-Year Plan will be remembered for its program of cutting production costs and for economic planning which will result in greater profits in the field of machine building.

The development of the national economy is increasing in tempo daily. The effects of this program are reflected in increased production in the machine-building and metal-working industries of the USSR. In 1940 these industries turned out 36 percent by weight of all industrial products in the USSR.

Soviet industry is toolled with the best modern equipment. Nevertheless, there are many enterprises in which this equipment is not being fully utilized, that is, in enterprises where there is an excessive waste of raw materials, fuel, and breakage.

For example, in 1947, the Sverdlovsk Works for Transport Machine Building ran up a cost of more than a million rubles for breakage, while unnecessary industrial waste amounted to 3 million rubles. Some of these production losses can be traced to errors in planning operations and to insufficient utilization of the capacity of workshops. Only 35 percent of the total capacity of coal-loading equipment was utilized. As a result of this poor planning and waste, the Sverdlovsk Works incurred a total loss of 14 million rubles. Fortunately it does not stand alone.

Frequently, where several plants turn out the same piece of equipment, the cost of the article varies from plant to plant.

On the other hand, there were nine Moscow enterprises, which in letters to Stalin, cancelled their requirements for government subsidies. The personnel of the "Krasnaya Presnya" Works, Khar'kov Tractor Works, a number of aviation factories and many others are determined to overproduce their quota for 1948. These plants are going to achieve their goals by improved organization and engineering. Their ultimate aim is better utilization of resources.

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The best results in this drive for cheaper production can be obtained by the elimination of average nonprogressive standards for the utilization of equipment, and through better exploitation of raw materials, fuel, and power. There should also be a wide-scale adoption of advanced technological processes in production and assembly workshops, as well as greater mechanization of time-consuming and heavy work. It is also recommended that factories change over to serial production or some other form of coordinated production, improve the technology of parts construction, adopt to a greater degree the normalization and standardization of individual pieces of equipment as well as series of equipment, and strengthen technological discipline. At the same time, it is necessary to improve the planning, accounting, and control of production and the expenditure of raw materials, as well as to make proper engineering and economy analyses of the activity of the various works.

Foundries and other workshops are urged to adopt new technological processes, such as, centrifugal casting and casting under pressure as a means of decreasing the waste of raw material and manpower. The use of stamping instead of casting will give similar results. The use of welded parts instead of cast parts greatly reduces the weight of machinery, and at the same time, lowers costs. It is heartening to see that many enterprises are making more use of equipment for high-speed cutting of steel, machines with reduced idling time, machines with automatic operating cycles, and mechanization of fitting and assembly tools.

Rational organization of labor and maintenance, and reorganization and mechanization of workshops has now been widely adopted in the planning of high production shops. The Uralmash Works has had very good results in this line.

Much can be gained in the way of developing plant capacity and lowering production costs by the adoption of serial production methods. The effectiveness of these methods in production of war materials should be a good recommendation for their use in the production of consumer goods. Greater cooperation between various plants, in other words greater production tempo, will result in greater stability of production and do away with bottlenecks and uncoordinated production peaks.

Another wartime experience worth mentioning is the increased productivity obtained from improved machine tools. Improved tools tend to decrease waste of labor and materials. Institutes and other research organizations are urged to direct all their attention to improving machine technology.

Experience at the Automobile Works imeni Stalin in Moscow has shown the advantage of intraplant accounting. Such a program greatly simplifies the cost accounting of production and facilitates improvement of operations with the object of lowering costs.

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